



**FIRST NATIONWIDE MORTGAGE CORPORATION (FNMC) –
EASY DOWN (PURCHASES)**

I. PROGRAM SUMMARY

PROGRAM DESCRIPTION	<p>The First Nationwide Mortgage Corporation – Easy Down program provides homeownership opportunities to low/moderate income first-time homebuyers who lack the savings required for larger down payment. With a minimal equity investment of 1% or \$500, borrowers can purchase their first home. The program has specific income limits and geographic restrictions (see below). The program includes two financing options:</p> <ol style="list-style-type: none">1) <u>Option 1:</u> 97/3 Program (includes 3% Fannie Mae second loan), OR2) <u>Option 2:</u> 100% LTV Program
TARGET MARKETS	<p>This program is intended for low/moderate income borrowers in the Bank's Assessment areas only; property must be located in California.</p>
PARTICIPATING LENDERS	<p>First Nationwide Mortgage Corporation's correspondent lenders.</p>
BORROWER ELIGIBILITY	<p>Borrowers must meet all of the following requirements:</p> <ul style="list-style-type: none">• Be a U.S. citizen, a permanent resident alien, or a non-permanent resident alien; non-permanent resident alien must be employed in the U.S., and the source of income must reasonably be expected to continue for at least three years• Not own any other property at the close of escrow• Occupy the property as their primary residence; non-occupant co-borrowers are not allowed•
PROPERTY ELIGIBILITY	<p>Properties must meet the following requirements:</p> <ul style="list-style-type: none">• Be a single-family, one-unit residence, including approved townhomes, condo/PUDs• Condos must meet Fannie Mae project approval requirements
DOWN PAYMENT REQUIREMENTS	<p>0%</p>
BORROWER MIN. CONTRIBUTION	<p>The borrower must contribute the lesser of 1% or \$500 of the sales price.</p>
TRANSACTION TYPE	<p>Purchase transactions only</p>
MAXIMUM SALES PRICE	<p>None stated</p>
MAXIMUM LOAN AMOUNT	<p>Current conforming loan limits (both loans combined)</p>

PROGRAM RESTRICTIONS	<p><u>Geographic Restrictions:</u></p> <ul style="list-style-type: none"> • Bank Assessment Areas Only • Property must be located in the state of California <p><u>Income Restrictions:</u></p> <ul style="list-style-type: none"> • Borrower's income must be less than 80% of the HUD median income for the area in which the borrower is purchasing; OR • Subject property is located in a low/mod census tract (identified with an asterisk (*) on Fannie Maps) and borrower's income is less than 140% of HUD median income for CA; OR • Subject property is located in a minority census track (identified with a plus (+) on Fannie Maps), and borrower's income is less than 140% of HUD median income for CA • Income should be rounded to nearest \$1,000 prior to comparing to appropriate % of HUD median
MORTGAGE INSURANCE	<p>Mortgage insurance from Mortgage Insurance Services is required on the first loan, as follows:</p> <p><u>Option 1: 97/3 Program (MI Plan #609):</u> Coverage: 50% Cost: 78 bps Due: Monthly</p> <p><u>Option 2: 100% LTV Program (MI Plan #631):</u> Coverage: 50% Cost: 102 bps Due: Monthly</p>
SELLER CONTRIBUTIONS	Seller contributions are acceptable, up to 3% of the sales price; must be used for non-recurring closing costs only.
BUYDOWNS	Permanent buydowns are allowed; no temporary buydowns.

II. UNDERWRITING CRITERIA

MINIMUM FICO SCORE	<p>Borrowers must have a minimum FICO credit score of 620 or greater; a lower score may be eligible if the following guidelines are met:</p> <p><u>Traditional Credit:</u></p> <ul style="list-style-type: none"> • A minimum credit history of four trade lines at least two years old (including both installment and revolving accounts), but no more than nine accounts currently open (accounts closed six months or more at application are not counted) • No history of major delinquency (BK, foreclosure, collections, or judgments) • No history of delinquency in installment or housing debt • No delinquencies for revolving accounts in past 12 months and no more than one account that was "1 x 30 days" delinquent in 12 months before that • Outstanding revolving account balances representing no more than 50% of aggregate credit lines at application (borrower cannot pay off or pay down to qualify) <p><u>Non-Traditional Credit: (May only be considered under the following conditions):</u></p> <ul style="list-style-type: none"> • Borrower has no FICO score due to no credit record with repositories
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	<ul style="list-style-type: none"> Borrower has a low FICO score, but no history of delinquency <p><i>Non-traditional credit history requirements:</i></p> <ul style="list-style-type: none"> Minimum of four sources of non-traditional credit Two sources must represent Tier I credit, and one must be for rental housing credit Other sources may represent Tier II or III credit No history of delinquencies on rental housing payments No history of delinquencies on remaining accounts
RATIOS	<p><u>Option 1: 97/3 Program:</u> Combined ratios may not exceed 45%</p> <p><u>Option 2: 100% LTV Program:</u> Maximum ratio of 45%</p>
CASH RESERVES	One month's PITI.
INCOME CONTINUITY/JOB CHANGES	Two years full income must be verified. Many low/moderate income borrowers change jobs frequently because that is the nature of the employment that is available. Such borrowers should not be penalized for frequent changes in jobs if they have maintained income continuity, despite the changes.
SEASONAL INCOME	On a case-by-case basis, non-seasonal, part-time income with a history of less than two years (but not less than one year) may be considered. The employer must verify the continuation of the part-time employment, and the loan should not have other marginal characteristics. An average monthly income must be developed for use in qualifying ratios.
SECONDARY INCOME	<p>Secondary income from the following sources can be considered:</p> <ul style="list-style-type: none"> Income From Alimony or Child Support Foster-Care Service Income Rental Payments from Boarders
BORROWER ED. REQUIREMENT	All borrowers must be knowledgeable about the process of obtaining and maintaining a home. Certification is required that homebuyer education has been completed. A copy of the education certificate must be included in the loan package submitted to First Nationwide Mortgage Corporation for purchase.
SUBORDINATE FINANCING/ SECOND LOAN	Applies to <u>Option 1</u> only

IMPORTANT DISCLOSURE INFORMATION:

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. Lenders will need to refer to investor guidelines for specific underwriting and compliance issues. Lenders should be aware that Mortgage Insurance Services' underwriting guidelines are for mortgage insurance only and not necessarily the same as restrictions imposed by the investor. The more restrictive guidelines apply. This program description is subject to change from time to time without prior notice.

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